GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3284
ANSWERED ON:07.12.2007
PENDING IT REFUNDS
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Will the Minister of FINANCE be pleased to state:

(a) whether a huge amount of Income Tax (IT) refunds are pending with the Government for the financial years 2005-06 and 2006-07;

(b) if so, the details in this regards;

(c) the reasons fsor delay in refund of such amount so far; and

(d) the time by which all such pending IT refunds are likely to be cleared?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) Granting of refund or raising of demand, consequent to assessment in accordance with the statutory provisions of the Income Tax Act, 1961, is a continuous process of the Income Tax Department.

(b) Data in respect of amount of pending refunds is not maintained separately as the amount of refunds can be determined only after processing of the returns.

(c) Some delay is caused due to shortage of manpower. In some cases, verification of taxes paid or deducted is required causing delay in issuing of the refund till verification process is over. In some cases, refunds are delayed due to reasons attributable to assesses like−

(i) Non-quoting/wrong quoting of PAN by the assessee.

(ii) Non-furnishing of bank account details by the assessee.

(iii) Pending de-duplication of PAN.

(d) According to the CBDT guidelines, the processing of returns is to be done within four months of receipt of the returns. The time-limit to process returns received in Financial Year 2006-07 is 31.3.2008.